

**AMENDMENT TO H.R. 5830**  
**OFFERED BY MR. KANJORSKI OF PENNSYLVANIA**  
**AND MRS. BIGGERT OF ILLINOIS**

Page 18, after line 19, insert the following:

1           “(12) APPRAISALS.—Any appraisal conducted  
2           in connection with a mortgage insured under this  
3           section shall be—

4                   “(A) based on the current value of the  
5                   property;

6                   “(B) conducted in accordance with title XI  
7                   of the Financial Institutions Reform, Recovery,  
8                   and Enforcement Act of 1989 (12 U.S.C. 3331  
9                   et seq.);

10                   “(C) completed by an appraiser who meets  
11                   the competency requirements of the Uniform  
12                   Standards of Professional Appraisal Practice;

13                   “(D) wholly consistent with the appraisal  
14                   standards, practices, and procedures under sec-  
15                   tion 202(e) of this Act that apply to all loans  
16                   insured under this Act; and

17                   “(E) shall comply with the requirements of  
18                   subsection (g) (relating to appraisal independ-  
19                   ence).”.

Page 21, after line 18, insert the following (and re-designate succeeding subsections, and any references to such subsections, accordingly):

1 “(g) APPRAISAL INDEPENDENCE.—

2 “(1) PROHIBITIONS ON INTERESTED PARTIES  
3 IN A REAL ESTATE TRANSACTION.—No mortgage  
4 lender, mortgage broker, mortgage banker, real es-  
5 tate broker, appraisal management company, em-  
6 ployee of an appraisal management company, nor  
7 any other person with an interest in a real estate  
8 transaction involving an appraisal in connection with  
9 a mortgage insured under this section shall improv-  
10 erly influence, or attempt to improperly influence,  
11 through coercion, extortion, collusion, compensation,  
12 instruction, inducement, intimidation, non-payment  
13 for services rendered, or bribery, the development,  
14 reporting, result, or review of a real estate appraisal  
15 sought in connection with the mortgage.

16 “(2) EXCEPTIONS.—The requirements of para-  
17 graph (1) shall not be construed as prohibiting a  
18 mortgage lender, mortgage broker, mortgage banker,  
19 real estate broker, appraisal management company,  
20 employee of an appraisal management company, or  
21 any other person with an interest in a real estate

1 transaction from asking an appraiser to provide 1 or  
2 more of the following services:

3 “(A) Consider additional, appropriate  
4 property information, including the consider-  
5 ation of additional comparable properties to  
6 make or support an appraisal.

7 “(B) Provide further detail, substantiation,  
8 or explanation for the appraiser’s value conclu-  
9 sion.

10 “(C) Correct errors in the appraisal report.

11 “(3) CIVIL MONETARY PENALTIES.—The Sec-  
12 retary may impose a civil money penalty for any  
13 knowing and material violation of paragraph (1)  
14 under the same terms and conditions as are author-  
15 ized in section 536(a) of this Act.”.

